

ORDINANCE NO. \_\_\_\_\_, Series 2008

AN ORDINANCE OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AUTHORIZING AND APPROVING THE EXECUTION OF A MASTER LEASE AND SUBLEASE AGREEMENT TO FINANCE THE ACQUISITION OF EQUIPMENT AND THE CONSTRUCTION OF RENOVATIONS AND IMPROVEMENTS IN AN AMOUNT NOT TO EXCEED \$16,000,000 FOR THE BENEFIT OF UNIVERSITY MEDICAL CENTER, INC., d/b/a UNIVERSITY OF LOUISVILLE HOSPITAL AND TAKING OTHER RELATED ACTION.

Sponsored By: Councilman \_\_\_\_\_

Recitals

A. The Louisville/Jefferson County Metro Government (the “Metro Government”) is a consolidated local government organized and existing under the laws of the Commonwealth of Kentucky (the “Commonwealth”) and as such is authorized under the Industrial Buildings for Cities and Counties Act, as amended, Sections 103.200 to 103.285 and the Governmental Leasing Act, as amended, Sections 65.940 through 65.956 of the Kentucky Revised Statutes (collectively, the “Act”), to approve by ordinance, order, or resolution the financing and refinancing of the costs of acquiring, constructing, and equipping an “industrial building” (as defined in the Act), including specifically land, buildings, improvements, equipment, and other facilities related to or in furtherance of the charitable purposes of any nonprofit institution, so as to accomplish thereby the public purposes of promoting the economic development of the Commonwealth, relieving conditions of unemployment, and encouraging the increase of industry therein, PROVIDED THAT SUCH LEASE AGREEMENT IS PAYABLE SOLELY FROM THE SUBLEASE PAYMENTS AND OTHER REVENUES DERIVED IN RESPECT OF THE LEASE AGREEMENT AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE METRO GOVERNMENT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE COMMONWEALTH.

B. University Medical Center, Inc. d/b/a University of Louisville Hospital (“UMC”), a Kentucky nonprofit corporation, has applied to the Metro Government for the approval and execution of a Master Lease and Sublease Agreement (the “Lease Agreement”), the proceeds of which will be used by UMC, as sublessee, to finance the costs of (i) remodeling the 9<sup>th</sup> floor of the hospital building located at 530 S. Jackson Street, (ii) constructing and equipping executive offices on the 1<sup>st</sup> floor of the Ambulatory Care Building located at 550 S. Jackson Street and (iii) furnishing and equipping a new outpatient surgery, imaging and rehabilitation center located at 416 E. Chestnut Street (collectively, the “Project”).

C. UMC has requested in writing of the Mayor that the Lease Agreement be negotiated with Siemens Public, Inc. (the “Lessor”).

D. Prior to the enactment of this ordinance and following published notice, the Metro Council will have conducted a public hearing affording an opportunity for members of the public to express their views regarding the proposed Lease Agreement and the nature and location of the facilities to be financed from the proceeds thereof.

E. The Metro Council now desires to [i] authorize the approval and execution of the Lease Agreement in an amount not to exceed \$16,000,000, the sublease of the Project to UMC and the loan of the proceeds of the Lease Agreement to UMC to finance the Project, [ii] authorize the execution and delivery on behalf of the Metro Government of the Escrow Agreement and Tax Compliance Agreement hereinafter identified, and [iii] take other related action.

NOW, THEREFORE, BE IT ORDAINED by the Louisville/Jefferson County Metro Council, as follows:

1. Public Purposes. The Metro Council hereby finds and declares that the approval and execution of the Lease Agreement and the loan of the proceeds thereof to UMC to finance the Project will further the public purposes of the Act by promoting the economic development of the Commonwealth, relieving conditions of unemployment, and encouraging the increase of industry therein. THE LEASE AGREEMENT IS PAYABLE SOLELY FROM THE SUBLEASE PAYMENTS AND OTHER REVENUES DERIVED IN RESPECT OF THE LEASE AGREEMENT AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE METRO GOVERNMENT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE COMMONWEALTH.

2. Authorization of the Lease Agreement and the Project. For the purposes set forth in the preamble hereto, there is hereby authorized and directed:

A. the approval and execution of the Lease Agreement, as provided herein (i) in an amount not to exceed Sixteen Million Dollars (\$16,000,000), (ii) bearing interest at a variable rate and/or fixed rate as provided in the Lease Agreement and as approved as provided in Section 6 hereof, but in no event shall the interest rate exceed ten percent (10%) per annum, and (iii) having the maturities and being subject to redemption at the times and in the manner set forth in the Lease Agreement and as approved as provided in Sections 6 hereof; and

B. the loan of the proceeds of the Lease Agreement to UMC to finance the Project, as provided in the Lease Agreement.

3. Authorization of Lease Agreement. The Mayor and the Clerk of the Metro Council are hereby authorized and directed to execute and deliver on behalf of the Metro Government the Lease Agreement among Metro Government, UMC and the Lessor, substantially in the form attached hereto as Exhibit A.

4. Authorization of Escrow Agreement. The Mayor and the Clerk of the Metro Council are hereby authorized and directed to execute and deliver on behalf of Metro Government an Escrow Agreement (the "Escrow Agreement") among Metro Government,

UMC, the Lessor and Branch Banking and Trust Company, as Escrow Agent, substantially in the form attached hereto as Exhibit B.

5. Authorization of Tax Compliance Agreement. The Mayor is hereby authorized and directed to execute and deliver on behalf of Metro Government a Tax Compliance Agreement (the "Tax Compliance Agreement") between the Metro Government and UMC, substantially in the form attached hereto as Exhibit C.

6. Authorization of Official to Approve Other Terms of Bonds. The Mayor is hereby authorized to approve on behalf of the Metro Government the final principal amount, and actual terms and maturity schedule for the Lease Agreement, provided that (i) the final principal amount shall not exceed Sixteen Million Dollars (\$16,000,000), (ii) the final maturity shall not extend beyond the year 2018 and (iii) the interest rate or rates and the procedures for determining such rates, any conversion privileges and actual terms and maturity schedule is approved by UMC and the Lessor.

7. Further Acts and Deeds. The Mayor, the Clerk of the Metro Council, and other appropriate officers and employees of the Metro Government, as may be designated by the Mayor or the Clerk of the Metro Council, are hereby authorized and directed to execute, acknowledge, and deliver on behalf of the Metro Government any and all papers, instruments, certificates, affidavits, and other documents and to do and cause to be done any and all acts and things necessary or proper for entering into and effecting this Bond Ordinance, the Lease Agreement, the Escrow Agreement, and the Tax Compliance Agreement, and the financing of the Project, provided that neither the Metro Government nor any of its councilmen, officers, employees, or agents incur any general liability thereby.

8. Severability. The provisions of this ordinance are severable, and if any section, phrase, or provision hereof shall for any reason be declared invalid or unenforceable, such declaration shall not affect the validity of the remainder of this ordinance.

9. Lease Agreement Not a General Obligation. **The Lease Agreement shall not be a general obligation or indebtedness of Metro Government, the Commonwealth or any agency or political subdivision thereof within the meaning of the Constitution and the laws of the Commonwealth but shall be payable solely from the sublease payments to be made by or on behalf of UMC to the Lessor pursuant to the Lease Agreement and any security pledged therefor.**

10. Prior Conflicting Actions Superseded. To the extent that any ordinance, resolution, order, or part thereof is in conflict with the provisions of this ordinance, the provisions of this ordinance shall prevail and be given effect.

11. Effective Date. This ordinance shall be in full force and effect from and after its enactment and publication as provided by law.

INTRODUCED, SECONDED AND GIVEN FIRST READING at a duly convened meeting of the Metro Council of the Louisville/Jefferson County Metro Government, held on \_\_\_\_\_, 2008.

GIVEN SECOND READING AND ENACTED at a duly convened meeting of the Metro Council of the Louisville/Jefferson County Metro Government, held on \_\_\_\_\_, 2008, signed by the President and the Clerk of the Metro Council and approved by the Mayor of the Issuer, and ordered to be published in summary form, filed and indexed as provided by law.

\_\_\_\_\_  
Kathleen J. Herron, Metro Council Clerk

\_\_\_\_\_  
Jim King, President of the Council

\_\_\_\_\_  
Jerry E. Abramson, Mayor

Approved: \_\_\_\_\_  
Date

**APPROVED AS TO FORM AND LEGALITY:**

Irv Maze  
Jefferson County Attorney

By: \_\_\_\_\_

CERTIFICATION

The undersigned hereby certifies that she is the duly qualified and acting Clerk of the Metro Council, that the foregoing is a true, correct, and complete copy of an ordinance duly enacted by the Metro Council at a duly convened meeting held on \_\_\_\_\_, 2008, on the same occasion signed by the Mayor, duly filed, recorded, and indexed in her office and now in full force and effect, and that all actions taken in connection with such ordinance were in compliance with the requirements of KRS 61.810, 61.815, 61.820, and 61.825, all as appears from the official records of said Council in her possession and under her control.

WITNESS my hand and the seal of the Louisville/Jefferson County Metro Government this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
Kathleen J. Herron,  
Clerk of the Metro Council

[SEAL]

**Exhibit A**

**Master Lease and Sublease Agreement**

**Exhibit B**  
**Escrow Agreement**

**Exhibit C**  
**Tax Compliance Agreement**

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